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South-South cooperation for development

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Review of progress made in implementing the Buenos Aires Plan of Action, the new directions strategy for South-South cooperation and the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation, taking into account the complementary role of South-South cooperation in the implementation of relevant major United Nations conferences in the social, economic and related fields**

Summary

The present report reviews trends and issues relevant to South-South cooperation from 2012 to 2014. It does so within the framework set by the 1978 Buenos Aires Plan of Action and reoriented by the 1995 new directions strategy for South-South cooperation and further by the Nairobi outcome document adopted in 2009 by the High-level United Nations Conference on South-South Cooperation. Developments at the bilateral, regional and interregional levels, support provided by developed countries, the role of the United Nations system, and notable examples of action by civil society and the private sector are considered. The report responds to decision 17/2, adopted by the High-level Committee on South-South Cooperation at its seventeenth session in 2012.

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I. Introduction

1. South-South cooperation continues to play an increasingly important and widening role in international affairs. It encompasses a wide range of interactions among governments, corporations, civil society and international agencies and underpins the rapid economic growth that has improved the human condition in all developing countries in recent decades. As noted in the *Human Development Report 2013*, "no country for which data was available had a lower Human Development Index value in 2012 than in 2000".[1]

2. During the review period, African States celebrated important South-South cooperation anniversaries and renewed their commitment to focus on the hard-core structural problems blocking development. Great subregional differences in Asia were reflected in the impact and scope of South-South cooperation, but all States continued to be strongly engaged in cooperative processes. In Latin America and the Caribbean, South-South cooperation has a unique humanitarian and social orientation that has shaped a growing demand for interregional initiatives. Interregional South-South cooperation is astonishingly broad and diverse, particularly in Africa, in contrast to the paucity of such activities three decades ago. There is also strong support for South-South and triangular cooperation from most of the major donor countries of the North. Within the United Nations system, South-South policies and programmes have become increasingly strategic, and thematic compartmentalization is beginning to erode, supported by the United Nations Office for South-South Cooperation (UNOSSC). Support from corporations and civil society is an increasingly important factor.

3. On the negative side, South-South cooperation has been constrained during the review period by the continuing impact of the prolonged recession and slow recovery in industrialized markets as well as by current account deficits in developing countries. Those problems have raised questions about the continued ability of the South to be the major driver of global economic growth. At the time of writing (March 2014), however, the South continues to grow, sustained by domestic and intra-South demand. Investor opinion of the emerging markets reflects a degree of uncertainty but no loss of confidence in their fundamentals.[2]

4. The South has a maturing technological capacity and a growing middle class to sustain long-term growth. In addition, the new information and communications technologies are transforming traditional disabilities into unprecedented new potential for development.

5. In the quadrennial comprehensive policy review, Member States reaffirmed the increased importance of South-South cooperation and triangular cooperation for the achievement of internationally agreed development goals, including the Millennium Development Goals, and called on the funds, programmes, specialized agencies and other entities of the United Nations system to further mainstream such cooperation in their activities. The growing importance of South-South and triangular cooperation as a complement to North-South cooperation has also been well

[1] United Nations Development Programme, *Human Development Report 2013* (Canada, 2013), p. iv.

[2] http://online.wsj.com/news/articles/SB10001424052702303460004579193963362146726
http://www.euromoney.com/Article/3308701/BlueBay-bullish-on-emerging-market-investment-grade-bonds.html#ad-image-3426?copyrightInfo=true.

recognized in the debates on the post-2015 development agenda and in sustainable development goals.

6. Policymakers have also called for South-South cooperation to focus on achieving the important goals set by major world conferences. In the outcome document of the special event convened by the President of the General Assembly on 25 September 2013, the Heads of State and Government noted that "among and within developing countries, those who have been left furthest behind require our most urgent attention and support" (resolution 68/6, para. 5).

7. The present report provides an overview of the major developments in South-South and triangular cooperation and presents an illustrative rather than exhaustive account of the progress made during the biennium 2012-2014 on the implementation of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries, the new directions strategy for South-South cooperation, and the recommendations of the Nairobi outcome document of the 2009 High-level United Nations Conference on South-South Cooperation. Findings are based on research conducted by the United Nations Office for South-South Cooperation in the relevant literature and on information provided by United Nations organizations and agencies.

II. Global context and trends

8. The global context for South-South cooperation presents a mixed picture. On the one hand, trade and other economic activities have been recovering slowly in the advanced economies, with the United States of America in the lead. During 2012 and 2013, world output grew by 3.1 per cent and 3.0 per cent, respectively, and it is projected to grow by 3.7 per cent in 2014.[3] In the euro area, growth turned positive in the second quarter of 2013 led by stronger growth in Germany.[4] In Japan, growth is expected to remain unchanged at 1.7 per cent in 2014. On the other hand, growth in emerging markets and developing economies weakened. Those economies grew in 2013 at 4.7 per cent compared with 4.9 per cent in 2012, but they are expected to improve on that rate in 2014. In China, growth rebounded strongly in the second half of 2013 and is expected to moderate to 7.5 per cent in 2014-2015. In India, growth at 4.4 per cent in 2013 is expected to improve to 5.4 per cent in 2014. In sub-Saharan Africa, the growth rate of 4.8 per cent in 2012 and 5.1 per cent in 2013 is expected to continue improving.

9. Prospects for growth in the South as a whole, however, were clouded by a combination of external and internal factors. Externally, the withdrawal of quantitative easing measures in the United States has weakened capital flows to developing countries. Internally, large current account deficits and unsustainable bank lending in recent years pose threats to growth. Also, weaker commodity prices are expected to have a negative effect. Between 2011 and 2013, the real prices of energy and food declined by 9 and 13 per cent, respectively, while those of metal and minerals fell by 30 per cent. Countries with high current account deficits have limited scope for financial stimulus to counter external pressures. The combination

[3] International Monetary Fund, *World Economic Outlook Update* (21 January 2014), p. 3.

[4] World Bank, *Global Economic Prospects*, vol. 8 (January 2014), p. 18.

of those problems has raised questions about the continued ability of Southern countries to continue driving global growth.

10. Trends in the social, political and environmental context during 2012-2013 have had adverse effects on South-South cooperation. The World Economic Forum report entitled *Global Risks 2014* identified structural unemployment and underemployment, income inequality, water crises and risks relating to climate change mitigation and adaptation as some of the top threats to future global stability. Widening income disparities, exacerbated by unregulated and unfair business practices of multinational companies and persistent structural unemployment, especially of youth, have contributed to rising crime rates, stagnant economies and social stress. Inequalities in other areas such as access to electricity, health and education are other stress factors hampering human progress and development.[5]

11. Extreme weather such as Typhoon Haiyan in the Philippines, political crises and armed conflicts in all three regions of the South have imposed a heavy toll on development. The contagion effects of those events in terms of refugee flows, negative economic repercussions and political tensions illustrate the urgent need for reform, given the increasing interdependence among countries and the urgency for reforms in the overall architecture of global cooperation.

III. Developing countries

12. Africa, Asia and Latin America and the Caribbean constitute a global South of very varied realities united by shared histories and economic, social and political problems. One of the most comprehensive indicators of commonalities and differences is the level of regional integration, reflected most readily in the magnitude of intraregional trade. The average share of intra-African exports in total exports over the period from 2007 to 2011 was 11 per cent (about 10 points higher if informal trade is factored in), 21 per cent for Latin America and the Caribbean, and 50 per cent for developing Asia.[6] (For Europe and North America, it was over 70 per cent.[6]) Another basic indicator of their differentiation is labour productivity. In Africa, it is $4,734 per worker; for East Asia, it is $6,631; and for Latin America and the Caribbean, it is $8,890.[7] Those statistics also indicate the unfulfilled potential for South-South cooperation for development.

13. A new factor uniting the three regions during the review period has been anger as the crisis precipitated by major transnational financial institutions has pushed millions of people into unemployment and poverty while adding hugely to the wealth of the very rich. That unequal division has been effected in large part by the operations of giant hedge funds in commodities markets that have caused a boom in food and fuel prices. That financialization of markets has caused social unrest in many societies, raising new obstacles to South-South cooperation.

14. The bulk of South-South trade that ties the three regions together is in oil, minerals and agricultural commodities. The Middle East and North Africa region

[5] See United Nations Development Programme, *Humanity Divided: Confronting Inequality in Developing Countries* (November 2013).

[6] UNCTAD, *Economic Development in Africa Report 2013* (UNCTAD/ALDC/AFRICA/2013) (Sales No. E.13.II.D.2), p. 2.

[7] Ibid., pp. 69 and 80.

sends two thirds of all its exports to other developing countries. The United Nations Conference on Trade and Development (UNCTAD) reported in 2013, however, that the South-South trade in and from Asia was moving towards a more technologically sophisticated mix.[8] Expenditure on research and development is trending up in the South, albeit from very low levels.

15. Foreign direct investment (FDI) flows to developing economies reached a new high of $759 billion in 2013, accounting for 52 per cent of the global total. Developing Asia, with its flows at a level similar to those of 2012, remained the largest host region; flows increased 6.8 per cent to Africa and 18 per cent to Latin America and the Caribbean.

16. Globally, FDI inflows rose by 11 per cent in 2013 to an estimated $1.46 trillion, almost equal to the average of the three years before the 2008 financial crisis. Among regional groups, the 21-member Asia-Pacific Economic Cooperation (APEC) and Brazil, the Russian Federation, India, China and South Africa (the BRICS countries) almost doubled their share of global FDI flows from the pre-crisis levels. APEC now receives half the total global flow and is on a par with the Group of 20 (G20). FDI flows to the Association of Southeast Asian Nations (ASEAN) and the Common Market of the South (MERCOSUR) doubled from pre-crisis levels, as did South-South mergers and acquisitions. West Asia is the only developing region to see a fifth consecutive annual decline in FDI in 2013; it dropped by 20 per cent to $38 billion.[9]

17. At a time of declining development aid from the North, particular attention has focused on the financial assistance rendered as part of South-South cooperation. The major providers of South-South cooperation met in 2013 and restated their position that South-South cooperation was an act of solidarity among developing countries, intended to complement aid from the North, not replace it.

18. The General Assembly acknowledged the new importance of South-South cooperation by upgrading the Special Unit for South-South Cooperation to the United Nations Office for South-South Cooperation (see A/67/39, Chap. I, decision 17/1, para. 8; and resolution 68/230). The issue of strengthening the Office is before the High-level Committee on South-South Cooperation in a separate report (SSC/18/3).

19. Regional development banks are among the leaders of South-South cooperation. The most prominent are the African Development Bank and the Asian Development Bank, both with a primary focus on building infrastructure, and the Inter-American Development Bank, which places more emphasis on social projects. In Latin America and the Caribbean, subregional development banks — the Central American Bank for Economic Integration, the Caribbean Development Bank and the Andean Development Corporation (CAF) — have partially filled the infrastructure financing gap. Asia lacks subregional banks, so the Asian Development Bank plays a dominant role in financing infrastructure. In Africa, the African Development Bank is the main source of infrastructure finance because subregional banks — the East African Development Bank, the West African Development Bank, the Central African States Development Bank, and the Eastern and Southern African Trade and Development Bank — have limited resources. Africa also has the Development

[8] UNCTAD, *South-South Trade Monitor*, No. 2 (July 2013), p. 3.

[9] Ibid., p. 5.

Bank of Southern Africa, wholly owned by South Africa but focused on large infrastructure projects in the Southern African Development Community.[10]

20. Remittances sent home by international migrants from developing countries are estimated by the World Bank to total $414 billion in 2013, three times more than development aid from the North. South-South flows account for almost half the total. India, the largest recipient in 2013, received an estimated $71 billion.[11] Of that, the largest component, over $15 billion, was from the United Arab Emirates. East and West Asia are major remittance sources. Other major recipients in 2013 were China ($60 billion), the Philippines ($26 billion), Mexico ($22 billion), Nigeria ($21 billion) and Egypt ($20 billion).

21. South-South cooperation on security issues is expanding in all regions and is of critical importance to enable development. Cooperation ranges from policy coordination to regional peacekeeping forces, joint police operations, shared security-related infrastructure and networks of human rights and humanitarian activists.

22. Potentially the most far-reaching, security-related South-South cooperation initiative during the review period was the request from the Sixth Summit of the Americas in April 2012 that led the secretariat of the Organization of American States to produce a multivolume study in 2013 entitled *The Drug Problem in the Americas*. Drug trafficking has been the cause of intense violence in Latin America and the Caribbean, and the study reviewed the evidence that changing the current prohibitionist approach to drugs would reduce the violence and have other public health benefits. Its findings will have an impact on the comprehensive review of the global drug situation by the General Assembly set for 2016.

23. United Nations peacekeeping is triangular cooperation, with a number of African, Asian and Latin American developing countries contributing most of the troops and developed countries providing most of the funding on a mandatory basis. The United States, Japan and the Nordic countries are also engaged in other support activities, including military training. Most United Nations peacekeeping is in Africa, and the African Union has its own continent-wide peace and security initiatives. It also fields peacekeeping and peacemaking missions in response to requests from the United Nations.

24. West and Central African States affected by piracy in the Gulf of Guinea have established an interregional Coordination Centre on Maritime Safety and Security based in Yaoundé. They have also adopted the Code of Conduct concerning the Prevention and Repression of Piracy, Armed Robbery against Ships, and Illegal Maritime Activities in West and Central Africa.

25. As the multinational security force of the North Atlantic Treaty Organization prepares to withdraw from Afghanistan at the end of 2014, the effort to maintain peace is predominantly South-South. The Istanbul Process is the broadest, involving all the States in the region that have an interest in Afghan stability. China and India,

[10] Supporting infrastructure development to promote economic integration: The role of the public and private sectors. Note by the UNCTAD secretariat (TD/B/C.I/MEM), section II.C: Role of the regional banks.

[11] "Developing countries to receive over $410 billion in remittances in 2013, says World Bank", press release, 2 October 2013.

the largest neighbours of Afghanistan, are consulting bilaterally and the latter is leading a concerted effort to accelerate development in the war-ravaged land.

A. Africa

26. The fiftieth anniversary of the African Union and the tenth anniversary of its subsidiary, the African Peer Review Mechanism, were important markers of South-South achievement in 2013. The African Peer Review Mechanism, an exercise in mutual accountability in governance, now has 33 members, representing more than 76 per cent of the African population. The New Partnership for Africa's Development (NEPAD) of the African Union is the world's broadest South-South effort at changing economic realities, and it has made slow but continuing progress. Among the most intractable problems confronting Africa has been overdependence on its mining sector, the primary driver of African economic growth. Although sub-Saharan gross domestic product (GDP) more than tripled since 2000 to about $1.33 trillion in 2013, the extractive industries catering to foreign demand did not benefit the great majority of Africans.[12] The Economic and Social Council acted in July 2013 to deal with that issue: on the recommendation of the Economic Commission for Africa, it created a new African Institute for Economic Development and Planning that will seek to accelerate structural change in the African economy (Council resolution 2013/2). The new organization, to be based in Dakar, will have a governing council representing all five regions of Africa.

27. With domestic sources now providing about half of the $93 billion required to finance the African Union/NEPAD African Priority Action Plan for infrastructure development, the outlook is promising. Its 51 separate but linked projects are at various stages of feasibility study, planning and some limited implementation. At its Summit meeting in January 2013, the African Union endorsed a new business working group on infrastructure to seek private-sector financing (see A/68/222, para. 16).

28. Other NEPAD priority programmes include:

(a) The Comprehensive Africa Agriculture Development Programme, with commitments from 40 countries to allocate at least 10 per cent of their national budgets to agriculture and raise productivity 6 per cent annually. In 2012, 10 countries achieved more than the targeted 6 per cent growth in productivity and four achieved over 5 per cent (ibid., para. 20);

(b) Five regional networks of bioscience centres of excellence to be developed, one focused on biosafety and the others on technologies with commercial potential. The Africa Biosciences Challenge Fund will support agricultural research (ibid., para. 52).

29. Intra-African FDI is rising. Intra-African investment is reported to be of increasing importance in several African countries, including Botswana, Malawi, Nigeria, Uganda and the United Republic of Tanzania.[13] South Africa is the single largest investor in FDI projects in the rest of Africa.

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[12] Africa Progress Panel, *Africa Progress Report 2013* (2013).

[13] UNCTAD, Trade and Development Board report of 28 June 2013 (TD/B/60/4), para. 8 (g).

30. at its twentieth ordinary session in January 2013, the Assembly of the African Union adopted decision 465 (XX) emphasizing its desire to apply South-South and triangular cooperation to the implementation of the post-2015 development agenda. South-South cooperation is at the heart of the determined effort of African States to deal with the hard-core problems hindering development.

B. Asia

31. Rapid economic growth is the most concrete evidence of the overall success of South-South cooperation in Asia. Developing Asia, with its regional supply chains, now accounts for a third of world GDP (42 per cent if Japan is included). The region is still home to three fifths of the world's extremely poor, however, and two thirds of the hungry — and that is after the number of Asians living on less than $1.25 a day was more than halved between 1990 and 2010 and the absolute number also declined from 1.48 billion to 733 million.

32. ASEAN continues to be the world's most successful economic South-South cooperation alliance. Its members have consistently sought to broaden cooperation among themselves as well as with all the Powers with strategic interests in the region. Their most urgent project at present is to create the ASEAN Economic Community by 2015; they have already eliminated most tariff barriers but difficult non-tariff barriers remain. ASEAN exists in a subregion tense with disputes over borders, ideological differences and armed confrontations. While those tensions have hindered South-South cooperation, they have also prompted it, most obviously in the ongoing work of the ASEAN Maritime Forum and the ASEAN Regional Forum. The prevention of piracy on the regional seas; smuggling of goods, people and narcotics; terrorism; and marine disasters is a key objective of South-South cooperation.

33. Amid talk of financial convergence, emerging Asian markets remain closer to global power centres in the North than to one another. The enormous net savings of the region are exported to the North to insure against a repetition of the debilitating 1997 Asian financial crisis. While Asian countries were parties to 109 ratified free trade agreements (FTAs) in January 2013 and were engaged in a growing number of bilateral and group currency-swap arrangements, most of the former remain little used and none of the latter have been invoked. Two negotiation streams aim to disentangle the "FTA noodle bowl", one with a mega-regional deal and the other by nullifying such agreements altogether.[14]

34. Perhaps the biggest South-South story from Asia is the improvement of relations between China and India. It is evident not only in growing trade — now $80 billion and projected to reach $100 billion by 2015 — but also in the unveiling on 18 March of a ground-breaking cooperative study on approaches to low-carbon development that reviewed strategies for financing, use of technology, innovation policy and subnational actions. Improving relations are also reflected in the proposal to revive the ancient Silk Road through Bangladesh and Myanmar. The announcement by the President of China of an Asian infrastructure investment bank

[14] Asian Development Bank, *Regional Cooperation and Integration in a Changing World* (April 2013).

has raised expectations that new air, rail, road and water transport linkages will develop in the 1.65 million-square-mile land bridge across south-east Asia.

35. At the twelfth meeting of the Central Asia Regional Economic Cooperation (CAREC) Programme, speakers referred to regional road-building activities that had exceeded targets and a promising economic outlook for a subregion that had put in place sound macroeconomic policies and stronger financial systems and made arrangements to buffer against externally induced currency volatilities. Regional integration through expanded production networks to target external markets was also discussed. The meeting accepted an offer from China to host the physical base of the CAREC Institute in Urumqi, Xinjiang Uygur Autonomous Region, and took note of the offer by Kazakhstan to host a branch of the Institute. The Institute is to provide analytical and support services to the CAREC Programme.

36. South-South cooperation continues to be of increasing importance across Asia, most significantly in a new collaborative effort by China and India on low-carbon paths to sustainable development.

C. Latin America and the Caribbean

37. The Latin America and Caribbean region has continued its active engagement with South-South cooperation processes in many areas, including agriculture, social assistance programmes to combat poverty, capacity-building in science and technology, security issues, environmental protection, sustainable development, renewable energy, infrastructure development, statistics, electoral assistance, humanitarian assistance, emergency response and post-disaster recovery. Brazil, Chile, Colombia, Cuba, Ecuador, Mexico and Uruguay have notably strengthened their South-South cooperation capacities and engagement. The region remains only lightly integrated in terms of regional infrastructure and in trade, however, its share of intraregional exports as a percentage of South-South trade is declining.[15]

38. Institutionalized efforts to broaden South-South cooperation in the region are progressing on several fronts. There is the Community of Latin American and Caribbean States (CELAC), an initiative that now includes all sovereign entities in the region but excludes the United States, Canada and territories under the control of European States. There is also the Pacific Alliance, formed in 2012 by Chile, Colombia, Mexico and Peru with a strong business-oriented agenda. Despite the perception of their political differences, the two groupings have Costa Rica in common: it became the new president pro tempore of CELAC in January 2014 and in the following month declared its intention to move from observer status in the Pacific Alliance to full membership. Meanwhile, the agreement unifying MERCOSUR and the Andean Community (CAN) into the Union of South American Nations (UNASUR) came into effect in March 2011, and the foundation stone for its secretariat was laid in Mitad del Mundo (Ecuador). Work on establishing the other institutions of UNASUR is also progressing, including the South American Parliament in Cochabamba, Bolivia (Plurinational State of), and the Bank of the South in Caracas. According to press reports, the hope is to have a continent-wide European Union-style union by 2019.

[15] UNCTAD, *South-South Trade Monitor*, No. 2 (2013).

39. Brazil, which accounts for about half of South American GDP, has the most diversified engagement with South-South cooperation, including both public and private elements. The Brazilian Cooperation Agency (ABC), the Brazilian Agricultural Research Corporation (EMBRAPA) and the National School of Public Administration are key players. ABC has a broad portfolio of cooperation projects ranging from those transmitting the country's experience in fighting poverty and its social effects on families to projects sharing the cutting-edge biotechnology of Brazil, especially in producing biofuels. EMBRAPA is a State-owned company that conducts cutting-edge research on tropical agriculture that has a strong South-South capacity regulated by a 2011 law providing it with greater coherence and autonomy from the Ministry of Agriculture, Livestock and Food Supply.

40. The fourth Mesoamerican Congress of Protected Areas, held in March 2014, brought together experts from Mexico and the eight countries of the Central American Integration System: Belize, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama. Launched by the Central American Commission on Environment and Development in 2003, the triennial meetings share experiences and research with regional and international actors and discuss conservation initiatives for terrestrial and marine protected areas.

41. The 15-member Caribbean Community (CARICOM) took a landmark step in 2013 in registering its unified support for the United Nations Arms Trade Treaty (covering conventional arms), which its Secretary-General, Irwin LaRocque, underscored as of "paramount concern" to the region because crime "was strangling Caribbean development".[16] Members of Caribbean Community have made citizen security the fourth pillar of sustainable development. The adoption of the CARICOM Crime and Security Strategy in 2013 was an important step.

42. The Organization of Eastern Caribbean States convened a workshop with UNCTAD in October 2013 on capacity-building and knowledge-sharing to facilitate trade. The workshop focused on how to implement the practical trade facilitation measures in the World Trade Organization Agreement on Trade Facilitation and included discussion of how to finance the necessary measures. The six members of the organization are Antigua and Barbuda, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines.

43. Participants in the Guayaquil Summit of the Bolivarian Alliance for the Peoples of Our America, held in July 2013, decided to strengthen support measures for Haiti as it recovered from natural and political disasters. Several countries were already helping. Venezuela (Bolivarian Republic of) is engaged in building homes (400 planned) and hospitals (20 planned). It is also supporting cultural groups, including a youth orchestra. Among the projects supported by Ecuador is rebuilding a bridge destroyed by the 2012 hurricane. Cuba has over 540 doctors in Haiti as well as teachers, environmental experts, builders and mechanics teaching truck repair.

44. The humanitarian and socially oriented South-South cooperation in Latin America and the Caribbean is unique, as is the attention given to the international policy aspects of domestic security issues.

[16] "Caricom seeks greater assistance for developing countries", Atlantablackstar.com, 26 July 2013.

D. Interregional

45. The interregional South-South cooperation of Africa spans the globe. In 2012, BRICS-Africa trade reached $301 billion, up 3.8 per cent from $290 billion in 2011. While still impressive, it was the lowest annual increase since 2000. China alone accounted for $166 billion of that trade with Africa in 2012. People-to-people links were also booming: 1 million Chinese tourists travelled to Africa in 2012-2013 and nearly 500,000 Africans went to China. India-Africa trade expanded from $20 billion in 2005-2006 to $68 billion in 2011-2012 and is targeted to reach $90 billion by 2015.[17] India-assisted pan-African capacity-building institutes include ones on information technology in Ghana, on foreign trade in Uganda, and on education, planning and administration in Burundi as well as a diamond institute in Botswana. The third Korea-Africa Forum meeting in Seoul in 2012 adopted an action plan for 2013-2015. The third Africa-South America Summit meeting in Malabo approved 27 projects in the areas of trade, investment, health, education, infrastructure, and science and technology. The 2013 BRICS Summit adopted the eThekwini Declaration and Action Plan to strengthen support for infrastructure development, food security, skill development, job creation and industrialization. Turkey is implementing a $260 million technical cooperation package in African least developed countries to support capacity-building in water resources and climate change (see A/68/222).

46. The Asian Development Bank and the Inter-American Development Bank have been pursuing the vision of a common platform for South-South cooperation between the Asia and the Pacific and Latin America and the Caribbean regions since 2012. The initiative, which aims to facilitate the exchange of knowledge and best practices between both regions, has resulted in important collaboration on a range of matters, including customs practices, achievement of universal broadband access, reducing the impact of poverty on families, sustainable cities, and increasing innovation in low-income markets.

47. At its first Economic and Business Conference in Port Louis in July 2013, the 20-member Indian Ocean Rim Association for Regional Cooperation discussed the topic "Deepening economic linkages for balanced, inclusive and sustainable growth". Ministers and business representatives emphasized the need for "open regionalism" and identified trade as an integral factor in promoting economic cooperation and development.

48. A high-level conclave on the India-Africa Project Partnership met in New Delhi in March 2013 to consider how to expand and correct the present imbalance in interregional trade. India imports $43 billion in African commodities, mainly petroleum, gold, diamonds, platinum and uranium, and exports $23 billion in manufactures, tourism and information technology services.

49. The Blue Economy Summit, held in Abu Dhabi on 19 and 20 January 2014, focused on the sustainability needs of small island developing States and coastal States heavily dependent on the oceans. It carried forward a concept that emerged from the United Nations Conference on Sustainable Development, held in Rio de Janeiro, Brazil, in 2012, as a means of focusing attention on the importance

[17] Research and Information System for Developing Countries, Discussion Paper No. 180, India and Africa: Development Partnership (December 2012), p. 6. Available from http://ris.org.in/images/RIS_images/pdf/dp180_pap.pdf.

of an economic realm that covers 70 per cent of the planet and over which 90 per cent of the world's trade in goods is conducted. Such focused attention is necessary because oceanic issues, including those of small islands, often receive low priority. The Third International Conference on Small Island Developing States is scheduled to be held in September 2014 in Apia.

50. The India, Brazil and South Africa (IBSA) Facility for Poverty and Hunger Alleviation (IBSA Fund) partnered with the Sudan, the United Nations Development Programme (UNDP) and the United Nations Office for South-South Cooperation in 2013 on a $1.3 million programme for poverty and hunger alleviation that creates employment opportunities for unskilled youth in the Sudan through labour-intensive projects and provides training for skilled jobs.

51. The BRICS countries signed a memorandum of understanding in February 2014 on collaboration in science and technology. Each country will lead in a particular sector: Brazil on climate change and natural disasters; the Russian Federation on water resources and pollution treatment; India on applications of geospatial technology; China on renewable energy; and South Africa on astronomy. The BRICS Summit to be held in Brazil in July 2014 is expected to carry forward the proposal for a $50 billion BRICS bank.

52. Brazil has a strong interregional South-South cooperation programme. The State-owned Brazilian Agricultural Research Corporation (EMBRAPA) is reported to be cooperating with 56 developing countries and 89 foreign institutions under 78 South-South cooperation agreements. It has established a presence in several other countries, including Venezuela (Bolivarian Republic of), Ghana and Panama, to facilitate quick action. EMBRAPA experts will help Angola to formulate a national strategy for agricultural innovation and, in the process, train over 100 Angolan researchers.

53. Cuba has a high-quality South-South cooperation programme that helps to build capacity in the delivery of medical services and in a variety of high-technology fields, including biosciences and environmental monitoring. It has multiple agreements with a number of developing countries, including Angola (47), South Africa (11), Venezuela (Bolivarian Republic of) (10) and Algeria (8). In September 2013, the Cuban National Institute of Hydraulic Resources signed a collaboration agreement with South Africa that will focus on building capacity for water management.

54. Kenya began construction in November 2013 on a key missing link in a railway line linking Cape Town to Cairo. The link, to be built with $14 billion in Chinese financing, will extend the existing railway of Kenya across East Africa to reach South Sudan, the Democratic Republic of the Congo and Burundi.

55. At the Third Africa-Arab Summit, held in Kuwait in November 2013, note was taken of the institution of an annual Kuwaiti $1 million prize for development research in Africa; intelligence cooperation through the African Centre for Studies and Research on Terrorism established in Algiers; and the decision of the League of Arab States at the summit level to establish an Arab court of human rights headquartered in Bahrain. The Summit also supported the creation of an Africa-Arab centre for the exchange of information on illegal migration.

56. Interregional South-South cooperation covers the gamut from agriculture to intellectual property; the vitality of what is happening is an astonishing contrast to the almost total lack of such activity three decades ago.

IV. Developed countries

57. With the no-growth or declining aid budgets imposed on recession-hit providers of development aid in the North, there has been greater attention to the effectiveness of delivery. The perception that triangular cooperation adds to the effectiveness of North-South aid has made such arrangements almost routine. The first project jointly sponsored by the aid agencies of the United States and Japan, the two largest in the world, was a triangular cooperation study tour by Vietnamese officials to the Philippines to learn about the complexities of infrastructure development. Other examples abound.

58. The United States is engaged in multiple aspects of supporting South-South cooperation in Africa and Asia. In August 2014, Washington will host its first-ever summit meeting of African leaders. The highest-profile United States engagement in Africa has been in the areas of food security, rural energy and peacekeeping. The "Feed the Hungry" initiative is credited with pulling some 12 million people out of poverty. Another major initiative is a $7 million project to support South Africa as a regional leader in development. In 2013, the United States and Indonesia completed two triangular cooperation programmes: an international training workshop on disaster risk management; and an international workshop on democracy that shared Indonesian experience with five Arab countries. Under a memorandum of understanding signed in 2013, the United States and Indonesia will work within a defined framework for capacity-building needed to address global challenges.

59. Japan continued its strong support for triangular cooperation at the Tokyo International Conference on African Development (TICAD V), held in Yokohama in June 2013, which brought together representatives of African States and all major donor countries. It also continued to innovate; for example, to boost the role of the private sector in African development, a programme supported by the Japan International Cooperation Agency sent former employees of Japanese trading houses as advisers to African Governments. Other initiatives supported anti-piracy and peacekeeping operations, provided sustainable mining technology, helped with the exploration for rare earths and extended a $79 million concessional loan to improve the Tanzanian leg of the proposed Cairo to Cape Town Highway. Another notable triangular project supports the spread of Brazilian expertise in sustainable agriculture to the tropical savannah of Mozambique. The ProSavana project aims to cluster small-scale farmers in environmentally friendly communities able to protect their own interests as they feed the supply chains of agribusiness firms.

60. Future Agricultures is a network of African and European researchers on agriculture and food policy in Africa, with more than 100 people working in 12 countries on both continents. In Africa, Future Agricultures researchers are working in Burkina Faso, Ethiopia, Ghana, Kenya, Malawi, Mozambique, Nigeria, Senegal, South Africa, Uganda, the United Republic of Tanzania and Zimbabwe. Their network shares news and expert research, promotes partnerships and policy dialogue, and furthers communications on issues ranging from policy formulation on food and agriculture to the social impact of agricultural policies.

61. To study the efficacy of triangular arrangements, the Norwegian Agency for Development Cooperation brought together one non-governmental organization and one support institution from Ethiopia, India and Norway to collaborate in the management of natural resources in semi-arid areas. It found an appreciable growth of capacity in the partner organizations, including the ability to distinguish why one policy worked in one place and did not in another. A negative finding was a general insensitivity to gender issues.

62. All the major donor countries of the North accept triangular cooperation as a way to make North-South aid more effective.

V. United Nations system

63. Three trends have been evident in the support of the United Nations system for South-South and triangular cooperation: (a) the increasingly diversified and robust nature of programmes; (b) a general move towards a more strategic approach in policy and programme frameworks, supported by efforts to improve data collection, monitoring, evaluation and reporting; and (c) growing intra-system cooperation on South-South outcomes. The following are some illustrative examples.

64. UNCTAD, which has traditionally provided overall strategic guidance for the South, recommended in two of its major annual reports a basic reorientation of development efforts that would require an unprecedented level of South-South cooperation. According to its flagship *Trade and Development Report* in 2013, intra-South trade plays a role in enabling a fundamental change in unsustainable patterns of consumption and finance. The UNCTAD *Trade and Environment Review*, 2013, urged a global shift towards small-scale organic agriculture.

65. In articulating its Strategic Plan, 2014-2017, UNDP evaluated its 2009-2011 work relevant to South-South and triangular cooperation. A corporate strategy to achieve specific goals is currently being developed. UNDP is also formulating a new project modality and cost-sharing arrangements to enable multiple countries to participate efficiently and effectively in South-South and triangular processes. Global Policy Centres in Brazil, Kenya, the Republic of Korea, Singapore and Turkey will facilitate South-South interactions, as will seven partnership agreements — with Brazil, China, India, Indonesia, Mexico, South Africa and Turkey. Another significant UNDP initiative was the China-Africa Poverty Reduction and Development Conference, held in July 2013, to consider what small and medium-sized enterprises could do to create employment for youth.

66. In 2012, the Food and Agriculture Organization of the United Nations conducted an internal review of the past 15 years of its work and used the findings to improve South-South policy and programming. It also created a dedicated unit for South-South cooperation and in 2013 developed a strategy for regional action. The revised Strategic Framework, Medium-Term Plan 2014-2017 and budget have also been shaped by that approach.

67. In 2011, the World Intellectual Property Organization (WIPO) initiated an unprecedented study on how to enhance South-South cooperation on intellectual property for development with particular reference to least developed countries; the evaluation report of the first phase will be considered by member States in 2014. It also convened two unprecedented interregional meetings on South-South

cooperation. The first, organized in collaboration with Brazil in August 2012, considered South-South cooperation in the fields of intellectual property governance; genetic resources, traditional knowledge and folklore; and copyright and related rights. The second, organized with Egypt in May 2013, focused on South-South cooperation with respect to patents, trademarks, geographical indicators, industrial designs and enforcement. Participants included representatives of 32 developing countries, a number of developed countries, intergovernmental and non-governmental organizations, and civil society. Each meeting led to a number of proposals on how to take the process forward and how to strengthen the institutional structure for South-South cooperation within WIPO. There was also a significant amount of networking among participants on selected intellectual property issues. WIPO has also created a website and a number of other online tools, providing a one-stop facility for South-South cooperation involving intellectual property rights.

68. The United Nations Industrial Development Organization (UNIDO) has recognized South-South cooperation as a thematic, cross-cutting programme component in both annual and medium-term frameworks. As part of a conference of least developed countries in Lima in December 2013, it convened high-ranking private-sector representatives responsible for investment, trade and value-chain development to discuss what Southern enterprises could do to accelerate development. Two UNIDO regional South-South centres in India and China moved in 2013 and 2014, respectively, to a second phase of development support capacity.

69. Since the Governing Body of the International Labour Organization (ILO) adopted a new South-South and triangular cooperation strategy in March 2012, the agency has been moving to use the modality in mainstreaming its priority Decent Work Agenda. In November 2012, the Governing Body adopted performance indicators for the strategy and incorporated them into the programme and budget proposals for 2014-2015.

70. The United Nations High Commissioner for Refugees and the International Organization for Migration organized a three-day regional conference in Yemen in November 2013, at which the participants agreed on several urgent measures to cope with the growing volume of African migrants — an estimated half million since 2006, including some 107,000 in 2012 — who make the dangerous sea crossing from the Horn of Africa to Arab countries. There will be increased information efforts in countries of origin and greater support for host countries.

71. In January 2014, the United Nations Office for South-South Cooperation began operating under a new strategic framework for 2014-2017. It mandates the Office to engage in "global and United Nations policy development and advocacy; inter-agency coordination and facilitation; catalysing innovative mechanisms; fostering inclusive partnerships and mobilizing resources from both public and private entities to support multi-agency collaboration ... and supporting knowledge-sharing, networking and the exchange of best practices, including through Southern centres of excellence."[18]

72. The United Nations Office for South-South Cooperation has institutionalized a multilateral South-South support architecture comprising: (a) the Global South-South Development Academy, supported by 30 United Nations entities and providing

[18] Strategic framework of the United Nations Office for South-South Cooperation, 2014-2017 (DP/CF/SSC/5), para. 21.

access to more than 13,000 Southern experts; (b) the annual Global South-South Development Expo (six to date, all showcasing best practices and enabling partnerships); and (c) the South-South Global Assets and Technology Exchange (SS-GATE), a platform that enables all stakeholders in South-South cooperation to seek support and forge partnerships. Even with the limited resources available for those initiatives, they have demonstrated their value. For example, at the 2013 global Expo, with the facilitation of SS-GATE, 16 memorandums of understanding were signed on site between companies, investors and private-sector entities, with financial pledges worth approximately $450 million. Also at that Expo, the Office, in collaboration with the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, launched the South-South Technology Transfer Facility for Landlocked Developing Countries, which will facilitate South-South transfers of viable, sector-specific technologies aimed at developing and strengthening the productive capacities of landlocked developing countries.

73. UNOSSC and the UNDP Regional Bureau for Arab States co-organized the first Arab States Regional South-South Development Expo, hosted by the Government of Qatar in Doha in February 2014. The "Tool for mapping of South-South cooperation mechanisms and solutions in the Arab States region" launched at that exposition is envisaged as the foundation of an online comprehensive repository and hub of South-South cooperation solutions and mechanisms to facilitate networking and exchange. The initial published version of the tool lists 40 solutions and 28 coordination mechanisms from across the region. Other initiatives launched at the Expo aim to help displaced people in Somalia and create youth employment.

74. The South-South policies and programmes of the United Nations system have become increasingly strategic, but despite some joint initiatives, the activities of different agencies remain thematically compartmentalized. Intra-system cooperation to promote the South-South modality is an emerging reality in the architecture of UNOSSC.

VI. Private sector and civil society

75. A fundamental reason for the success of South-South cooperation over the past two decades is the broadening involvement of corporations and civil society. Most transnational corporations based in developing countries are engaged in South-South operations, as are most civil-society networks of social activists. Beyond those obvious proponents of South-South cooperation are others that exist in the shadows, hardly noticed but often providing crucial research, demonstrating cutting-edge technologies, fulfilling essential tasks on shoestring budgets or providing vital financial services.

76. In 2012, Small Globe, a Canadian non-profit organization that provides training, policy analysis and evaluation of the role of South-South and triangular cooperation in economic and social development, released a ground-breaking study of growing collaboration in the pharmaceutical sector of emerging economies. The book, *South-South Collaboration in Health Biotechnology: Growing Partnerships*

amongst Developing Countries, reflected the findings of a large-scale project that involved cooperation among research groups in six developing countries.[19]

77. The United States-based Safe Water Network promotes community-owned and community operated sources of water. In providing a package of expertise and support services to enable a community to take control of its own water resources, it has made use of South-South resources and learning processes. Similarly, the Watershed Organisation Trust, a non-profit rural development organization in India supported by German and Swiss funding, works in several Indian States with often-illiterate village populations to teach water management and the proper use of land. Its 180 workers are equipped with mobile telephones and tablet computers with software that organizes input (photographs, sound and text) into a running analytical record of everything from work done on projects to village meetings and censuses of local plant, animal, bird, reptile and insect species. Its success in building agricultural resilience even during severe drought has been transmitted to 35 developing countries in South Asia and Africa.

78. Simpa Networks is a Bangalore-based company that has developed an innovative pay-as-you-go arrangement for home renewable-energy kits that cost about $30. Simpa provides the money to install the equipment and a meter into which consumers punch a personalized code to pay for the energy that they use. When the product is paid off, the meter is removed and the energy is available without further payment. After a promising pilot phase, Simpa is looking to reach scale across India, expecting to reach some 60,000 rural customers in the first phase of operations. The Asian Development Bank has reportedly invested $2 million in the company.

79. The African Centre of Meteorological Application for Development was established because a shortage of resources led African meteorologists to pool what they had. Their meetings to share data and research evolved into an institution that now provides early warning and advisory tools useful to farmers, public health workers and those engaged in disaster risk reduction. The Centre will also help to project how climate conditions will affect the spread of diseases, coastal erosion and storm surges and cause extreme weather.

80. The Dubai-based Mohammed bin Rashid Al Maktoum Foundation is the largest philanthropic organization in the Arab region, with a $10 billion endowment. The smaller Dubai Cares, a philanthropic organization with $1 billion in funding, supports primary education in developing countries. The Dubai Carbon Centre of Excellence, the first of its kind in the Middle East, is a private joint stock company that will provide the public and private sectors with the highest level of expertise to quantify and operationalize environmental upgrades. Masdar, a subsidiary of the Mubadala Development Company in Abu Dhabi, continues to host the annual World Future Energy Summit, which has provided an important platform for knowledge-sharing among many Southern countries.

81. Numerous small non-profit organizations and companies provide valuable support for transformative South-South cooperation.

[19] The book is open source and can be accessed at www.idrc.ca/EN/Resources/Publications/Pages/IDRCBookDetails.aspx?PublicationID=1117.

VII. Conclusions and recommendations

82. The vast array of South-South initiatives undertaken towards regional integration and for addressing a multiplicity of transnational development challenges is an indication of the growing strategic importance of South-South cooperation for the attainment of internationally agreed development goals, including the Millennium Development Goals and the development agenda to be adopted beyond 2015.

83. The adoption of a shared low-carbon path to sustainable development by China and India and the increasing support to the development of the infrastructure of Africa in the spirit of South-South cooperation exemplify a much needed mode of international collective action for the world to address development challenges that are too big for any country or region to address singlehandedly. The advancement of such partnerships calls for the continuous formulation and implementation of concrete regional and interregional collaborative frameworks for South-South and triangular cooperation in priority areas such as the prevention or control of pollution, climate change, communicable diseases, drug trafficking and piracy.

84. Stronger and better-coordinated South-South cooperation in dealing with security issues has the potential to dramatically reduce international and civil conflicts, especially if drug trafficking and the global black market are collectively targeted for elimination.

85. South-South cooperation that aims to address humanitarian and social ills in Latin America and the Caribbean should be widely emulated as a pathway to economic growth pursued with prudential measures to reduce inequalities, prevent social unrest and promote social cohesion.

86. As individual organizations of the United Nations system adopt strategic approaches to South-South and triangular cooperation in their policies and programmes, additional measures should be taken enabling agencies with similar expertise to pool or systematize their support to efforts of developing countries in priority areas such as the enhancement of productive capacities and the establishment of regional and global value chains that are essential to job creation and poverty eradication.

87. The most radical implications of information and communications technologies have not been realized yet, especially in enabling new financing, management and marketing arrangements that will render obsolete the hierarchical, top-down organization of corporations. The ability to target niche markets cheaply will make artisanal and/or rural production competitive if the capacity to use off-grid renewable energy and other affordable technologies is better utilized for small-scale, high-quality industrial production in rural areas across the South.

88. The numerous contributions of the private sector and civil society to South-South and triangular cooperation should be better harnessed through stronger public-private partnerships that are systematically forged to address priority development needs through investments in science, technology and innovation as well as in other fields where non-State actors have high levels of expertise and resources.